



# Department of Justice

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**FOUR FORMER EXECUTIVES OF UK CORPORATION CHARGED WITH  
OBSTRUCTING PRICE-FIXING INVESTIGATION OF THE  
CARBON PRODUCTS INDUSTRY**

WASHINGTON, D.C.—The former Chief Executive Officer of The Morgan Crucible Company plc (Morgan), a United Kingdom corporation, as well as three other former employees of Morgan or one of its subsidiaries, were charged today with obstructing the grand jury investigation of a conspiracy to fix the price of various carbon products sold in the United States and elsewhere, the Department of Justice announced.

Ian P. Norris, former Chief Executive Officer of Morgan, and Robin Emerson, a former marketing employee for Morganite Electrical Carbon Ltd., both residents and citizens of the United Kingdom, were indicted today by a federal grand jury in Philadelphia on charges of conspiracy to obstruct justice and of corruptly persuading others to destroy or conceal documents to prevent their use by the grand jury. Additionally, Norris was charged with witness tampering.

In separate charges, also filed in U.S. District Court in Philadelphia, Jacobus Johan Anton Kroef, a Dutch citizen and resident of The Netherlands and former Chairman of Morgan's Industrial and Traction Division, was charged with witness tampering. F. Scott Brown, a U.S. citizen and former Global President of Morgan Advanced Materials and Technology Inc., a U.S. subsidiary of Morgan, located in St. Marys, Pennsylvania, was charged with aiding and abetting in the destruction of documents to prevent their use by the grand jury. Both Kroef and Brown have agreed to plead guilty.

“The Antitrust Division will proceed aggressively against those who conspire to obstruct U.S. antitrust investigations regardless of where the conspirators reside or where the acts of obstruction take place,” said R. Hewitt Pate, Assistant Attorney General in charge of the Antitrust Division.

The indictments set out the lengths to which Norris, Emerson and their unnamed co-conspirators went to thwart the antitrust investigation, the Department said. The indictments charge that the co-conspirators created a task force to search through Morgan’s files and to remove and conceal or destroy any documents or records that they found in the files that reflected the pricing agreement it had with its competitors. According to the charges, Norris and Emerson, along with their co-conspirators, also prepared a “script” for the co-conspirators to follow in the event they were questioned during the course of the investigation. According to the indictments, the “script” falsely characterized the price-fixing meetings as joint venture meetings and deliberately omitted any references to the pricing discussions held with competitors. The indictments charge that the “script” was given to competitors who participated in the price-fixing agreement with instructions that they follow the script to try to convince the Antitrust Division to close its investigation and to prevent the investigation in the U.S. from spreading to the European antitrust authorities.

The indictments also alleged that in order to prepare themselves for questioning by investigators, the Morgan co-conspirators conducted a rehearsal at which they were questioned and cross-examined about the events described in the false script. During the rehearsal, Norris expressed his concern that certain Morgan employees involved in the price-fixing conspiracy might disclose the truth to investigators, and thereafter implemented a plan to separate those

employees from the company before they were questioned, either by having them retire or making them consultants.

In announcing today's plea agreements, James M. Griffin, Deputy Assistant Attorney General in charge of the Antitrust Division's Criminal Enforcement Program said, "Only by protecting the integrity of the Division's criminal investigations from such obstructive conduct can we ensure that we effectively carry out our mandate to protect American businesses and consumers from international price-fixing cartels."

Norris and Emerson are charged with conspiring to obstruct justice in violation of 18 U.S.C. 371, which carries a maximum penalty for an individual of 5 years imprisonment and a \$250,000 fine and with concealment or destruction of documents in violation of 18 U.S.C. 1512(b)(2)(B), which carries a maximum penalty for an individual of 10 years imprisonment and a \$250,000. Additionally, Norris is charged with witness tampering in violation of 18 U.S.C. 1512(b)(1), which carries a maximum penalty for an individual of 10 years imprisonment and a \$250,000 fine.

Kroef was charged with witness tampering in violation of 18 U.S.C. 1512(b)(1), which carries a maximum penalty for an individual of 10 years imprisonment and a \$250,000 fine.

Brown was charged with concealment or destruction of documents in violation of 18 U.S.C. 1512(b)(2)(B) and 18 U.S.C. 2(a), aiding and abetting, which carries a maximum penalty for an individual of 10 years imprisonment and a \$250,000 fine.

The prosecution of these four individuals is the latest to arise out of a multi-year investigation into suspected price-fixing in the carbon products industry. In November 2002, Morganite Inc. of Dunn, North Carolina, pleaded guilty and was sentenced to pay the statutory maximum fine of \$10 million for its role in the price-fixing conspiracy. The Morgan Crucible

Company plc also pleaded guilty to obstruction of justice and was sentenced to pay the statutory maximum fine of \$1 million.

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